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TAGS: [PGOV](#) [NZ](#)  
SUBJECT: DON BRASH NOT DOWN FOR THE COUNT - YET

REF A WELLINGTON 721 B WELLINGTON 690

Summary  
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¶1. (C) National Party MPs insist they will stand by embattled leader Don Brash amidst controversy over his private life (REF A) and will continue to focus on the party's political agenda. Despite the party's bravado, a prominent conservative political analyst believes that Brash's leadership has been undermined. One reason the Nats may be propping up Brash is that with no consensus on an alternative, a fractious leadership contest could reverse the party's recent gains in the polls. National seems to be banking that Labour's tactic of shifting attention away from its own scandals by alluding to Brash's private problems will prove counter-productive with fair-minded Kiwi voters. But if Labour succeeds in raising questions about Brash's credibility they could force National's hand. End Summary.

Reaction within National  
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¶2. (C) National's Deputy Director of Research tells us that the recent news about Brash's affair caused some initial panic among party ranks, especially junior members. Senior MPs quickly restored calm. National MP Chris Finlayson tells us the party is maintaining a 'business as usual' mentality. However, one party staffer told us some in National are concerned that Brash's alleged recidivist infidelity (his current marriage is a result of a previous extra-marital affair) could cost the party support, especially among women voters. (National is already relatively unpopular among women)

¶3. (SBU) Although PM Clark has declined to comment on the matter, the unveiling of Brash's affair seems to be part of Labour's efforts to deflect attention from National's claims that the Government illegally used taxpayer money in its reelection campaign (reftel). Days before the story broke, senior Labour MP Trevor Mallard had responded in Parliament to incessant National attacks on Labour's integrity and honesty by publicly alluding to Brash's alleged indiscretions.

¶4. (C) National MPs are now trying to put the ball back in the Government's court by pointing out that Labour is breaking an unwritten convention in New Zealand politics: do not delve into the private lives of Parliamentarians. Welfare spokeswoman Judith Collins tearfully expressed her rage at the breach of protocol during a radio interview earlier today. National Party insiders tell us

Brash has also e-mailed his MPs instructing them not address or react to any questions or insinuations regarding his private life.

Too soon to talk of Brash's demise as leader?

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15. (SBU) Despite the Nats' public show of unity, Barry Gustafson, an analyst regarded as the chief historian of the National Party, told the media that Brash's grip on his party's leadership is seriously weakened because his strongest attribute - integrity - is now in question. (This is the second time Brash's credibility has been put at risk, as he was earlier forced to admit that despite his denials he had met with Christian Brethren funders of his campaign.) The media has reported that backbencher Brian Connell had during a caucus meeting questioned Brash's fitness for office. Some commentators speculate that Brash might fall on his sword and resign. However, Finlayson tells us Brash will try and work through the crisis. Deputy Leader Gerry Brownlee has publicly insisted this matter will not affect the party's leadership.

No heir apparent, but contenders aplenty

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16. (SBU) Many National MPs have been concerned for months that Brash has been relatively ineffective in fighting the Government. Brash's resignation could move him gracefully out of the way and shut down Labour's efforts to draw attention to his affair. So why are the MPs remaining loyal? One reason is gratitude: many credit Brash for restoring the party's popularity after its nadir in 2002. The other is practicality: Brash has no clear successors. The last thing the party wants is division within its ranks, especially at a time when National is polling strongly and has the Government on the back foot over allegations of dishonesty. Any split in the party over who should become the next leader would put these achievements at risk.

17. (SBU) There are four commonly identified contenders for Brash's position. None are clear inheritors of the mantle. Former leader Bill English has broad policy experience, yet still carries the scar of leading the party to its miserable election defeat in 2002. Finance spokesman John Key is frequently touted as a leader-in-waiting, yet many in the party reportedly believe he is too inexperienced and untested. Deputy Leader (now Acting Leader) Brownlee has leadership ambitions, but some commentators question his public appeal. Simon Power, the law and order spokesman, is highly ambitious and has also been tagged as a future party leader but lacks political gravitas. Not surprisingly, there is no caucus consensus around any of these candidates.  
Comment: Is Labour playing with fire?

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17. (C) The media's preoccupation with this matter will relieve Labour of some of the intense scrutiny it has received over allegations of misappropriation of public campaign funding (REF B) and other recent controversies. However, National's claims that the Government has broken the unwritten convention of keeping clear of MPs private lives may result in a public backlash against the Government. Most Kiwis are reticent about their personal lives and virtually all see themselves as fair-minded and socially tolerant. Nor will National voters likely turn against Brash for his marital indiscretions: the son of a minister, Brash has never played up his own moral rectitude. It's well known that his current wife was previously his mistress.

18. (C) National's leadership is no doubt banking that it can carry the day by appearing a victim of Labour's unfair aggressions. But the public may see Brash as dishonest, making it more costly to leave him in place. This in turn could create a temptation for one or more of his ambitious potential successors to try to seize the reins. End Comment.

McCormick